



STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

May 25, 2005 Special Meeting

1: CALL TO ORDER

Administrative Law Judge Adam Torem called the May 25, 2005 special meeting to order at the Home Arts Building, Kittitas County Fairgrounds in Ellensburg, Washington, at 6:30 p.m.

2. ROLL CALL

Council members present were:

Richard Fryhling	Department of Community, Trade and Economic Development
Hedia Adelsman	Department of Ecology
Chris Towne	Department of Fish and Wildlife
Tony Ifie	Department of Natural Resources
Tim Sweeney	Utilities and Transportation Commission
Patti Johnson	Kittitas County Representative
Jim Luce	Chair

A quorum was present to conduct business.

Staff in attendance were:

Allen Fiksdal – EFSEC Manager, Mike Mills – Compliance Manager, Irina Makarow – Siting Manager, Adam Torem – Administrative Law Judge

Guests in attendance were:

Approximately 40 members of the public were in attendance, including Chris Taylor and Darrel Peeples, representing Wind Ridge Power Partners, and John Lane, Counsel for the Environment

3: WILD HORSE WIND POWER PROJECT

The Council considered and acted upon a recommendation to Governor Gregoire regarding Application No. 2004-01, Wild Horse Wind Power Project, as indicated in the attached transcript.

4: ADJOURN

The meeting was adjourned at 7:20 p.m.

ENERGY FACILITY SITE EVALUATION COUNCIL OF WASHINGTON
Wild Horse Wind Power Project Special Meeting
May 25, 2005

512 North Poplar Street
Home Arts Building
Ellensburg, Washington 6:30 p.m.

A: CALL MEETING TO ORDER

JUDGE TOREM: We'll call this meeting to order. It is the appointed time. Good evening. It is Wednesday, May 25, 2005, a little after 6:30 in the evening, and I appreciate the folks here in Ellensburg providing perfect weather for our travel and our meeting tonight. My name is Adam Torem. As those of you who have followed the proceeding in this case know, I am the Administrative Law Judge assigned to preside at the adjudicative proceeding and handle many of the procedural issues for the Energy Facility Site Evaluation Council. I am going to ask Allen Fiksdal, the Council Manager, to take the roll of the Councilmembers, and then we will get on with our meeting and announce the decision of the Council in the Wild Horse Wind Power Project.

B: ROLL CALL & QUORUM

EFSEC Chair - Jim Luce
Community Trade and Economic Development - Richard Fryhling
Department of Ecology - Hedia Adelsman
Department of Fish and Wildlife - Chris Towne
Department of Natural Resources - Tony Ifie
Utilities and Transportation - Tim Sweeney
Kittitas County - Patti Johnson

MR. FIKSDAL: Thank you. All our present, and there is a quorum.

JUDGE TOREM: Thank you, Mr. Fiksdal.

C: OPENING STATEMENT

JUDGE TOREM: Good evening, folks. Tonight's proceedings are to announce the results of what the Council is going to recommend to the Governor of the State of Washington, the entity Wild Horse Wind Power Project. That's Application No. 2004-01.

I want to give you a brief opening statement, and then each member of the Council as is the custom in these recommendation announcement meetings will take a different part of the written order and give you a briefing as to the key highlights. The two pieces of paper that will be signed by the Council tonight are actually, one will be Wild Horse Order No. 814 and attached to that will be a draft of the Site Certification Agreement being forwarded to the Governor. Those

documents are near 100 pages in total, so we're going to try and go through it in the next hour to 45 minutes or so and tell you what the highlights are and what the recommendation is and the reason for this.

As you know, Wind Ridge Power Partners submitted an application in March of 2004 for its site certification for the Wild Horse Wind Power Project. You know it's here in Kittitas County about 11 miles east of the City of Kittitas and 13 miles northeast of where we are here in Ellensburg. The project is proposing to build between 104 and 158 wind turbines that would generate between 158 and 312 megawatts of wind power, again depending on the size of turbines and how many of them are actually constructed. The project would be the wind turbine generators themselves, the foundations necessary to support them, the access roads, and the substations to conduct the electricity, both underground and overhead transmission lines, and an O & M or an operations and maintenance facility. It would construct and employ one or two or maybe even both feeder lines to move electricity from here to a power grid. The total of those feeder lines would be about 13 miles in length and would allow interconnection with either Bonneville Power or the PSE transmission systems. The total of this has been proposed for 8,600 acres. It's undeveloped land, and 401 acres of those 8,600 acres will be temporarily disturbed for construction activities. From our analysis, only a total of 165 acres would be permanently developed for the placement of the turbine towers and the roads and other associated structures.

***Now, of course, this project had to comply with the State Environmental Policy Act (SEPA), and the Energy Facility Site Evaluation Council is charged with the responsibility of applying SEPA to this case. In this proceeding the Council complied with SEPA by issuing a determination of significance, as well as a scoping notice. The Council conducted a scoping hearing here in Ellensburg and issued a Draft Environmental Impact Statement (EIS) for public comment last year in August. There was a public hearing, and, of course, we accepted your written comments on the Draft EIS. Many of you are aware we issued a Final EIS on May 16, 2005. There were a number of issues as to land use consistency with the local comprehensive plans and zoning ordinances, and the Council is required by law to determine whether a proposed project would be consistent with those local or regional land use plans.

When it first came to us in March of 2004, the project was found to be inconsistent with Kittitas County land use plans and zoning ordinances, and we directed the Applicant and the County to work together to resolve those. After a few extensions of time to allow those parties to work together, we were happy to hear at the actual hearing a few months ago in March that they have reached an agreement, and a Development Agreement had been issued by the Board of County Commissioners. So on March 7, 2005, this Council accepted the certification from the County declaring the project had been made consistent with its local land use requirements. The certificate from the local land use authority was accepted as prima facie proof of that, and if you were at the hearings in March, there was some extensive questioning and exploration of the development agreement and all of the supporting documents, so that this Council could understand that in fact consistency had been reached.

The adjudicative proceeding itself started back in August of last year, on August 3. There was a Notice of Intent to hold the adjudicative proceeding and a notice of opportunity and a deadline for folks to file petitions for intervention. As you know, the parties to this case were the Applicant themselves and Counsel for the Environment who is Assistant Attorney General John Lane; the Washington State Department of Community, Trade and Economic Development; in addition to having a representative on the Council, participated by filing a notice of intervention.

The Council also granted party status to the County, to a group called Friends of Wildlife and Wind Power; also to the Economic Development Group of Kittitas County; and to one individual Mr. F. Steven Lathrop. Friends of Wildlife and Wind Power and Mr. Lathrop eventually withdrew from the proceedings prior to them going to hearings, and prior to the adjudicative proceeding the Applicant was able to enter settlement agreements with the majority of the rest the parties, including the Washington State Department of Fish and Wildlife, which was not declared a party to the proceeding but was interested in some of the mitigation measures being proposed for the project. There was also a stipulation of settlement agreement with the County which involved much of the land use consistency issues that I already mentioned.

The Council held its formal adjudicative proceeding regarding the application on March 7 and March 8 and then for closed deliberations. Those occurred in the last couple of months, and I can attest to that given the volume of paper that we will read publicly tonight you will see that the order itself took into consideration a wide variety of issues, and the Draft Site Certification Agreement to be forwarded to the Governor has incorporated many of those issues. If there's a specific issue that you don't hear from the Council about tonight, feel free to approach EFSEC staff afterward and be directed to where that might be addressed in the written documents. Once we've heard from each of the areas tonight from the Councilmembers that are discussing them, I'll be able to tell you what the next steps are for sending this onto the Governor and perhaps hearing from other parties who want certain items to be considered once they may have read through the recommendations and had time to digest it all. Let me ask Chairman Luce to pick up from there.

CHAIR LUCE: Thank you everybody for attending tonight's meeting. Many of you that are here this evening have spent a great deal of time analyzing the application before us this evening, and I want you to know that the comments that we have received throughout this process which began in 2003 with the preliminary site study have been very carefully reviewed by the Council as you will see when you review the opinions. Many of the comments are captured in fact in the conclusions that the Council has drawn, in particular the Counsel for the Environment, and I want to recognize our own legal counsel, Ann Essko. The parties have provided excellent briefs, excellent argument for us, and I think are to be commended for their efforts.

The way we're going to handle this is that each Councilmember will provide a summary of issues considered by the Council, especially those within which their agency, the agency they represent, has particular expertise. Since I am Chairman, I give a general overview, since I probably have no expertise, and therefore they default to me and let me make these preliminary remarks. We're required to complete review of applications within a year. This has taken somewhat longer than that, and I want to just note for the record there were two extensions of time required to resolve land use inconsistencies. Those extensions were requested by the Applicant, and I think but for those extensions we would have been able to complete within one year. So we do everything within our power to do it within a year, but it's not always totally within our power to do it.

The application on which we're going to act tonight requested an 8- to 12-month time frame within which the project would be constructed, and that is the time frame which we are going to consider, the time frame that was requested by the Applicant in its application. The project has to meet the strictures of the Washington State Law, and as you may be aware, it's the policy of the State of Washington to recognize the pressing need for increased energy facilities and to ensure that through available and reasonable methods that those projects will produce a minimal impact on the environment. In doing so, we also take a look, a hard look at the broad interest of

the public. So basically what we looked at is the statutory directive that requires us to consider the need for power, protection of the environment, and the public interest. Those are sort of the three legs of stool. In here the Council does find and will find as you hear later that the project does conform to the legislative intent expressed in RCW 80.50.010. 80.50 is our statute. That's the chapter within which we must provide review of these projects. The Council also finds that operational safeguards at least as stringent as the criteria established by the federal government are going to be undertaken here, and that they will in fact be technically sufficient for the welfare and protection of the public.

Just a brief comment about the environmental mitigation requirements. The Applicant has agreed to provide such environmental mitigation and as a whole, taken as a whole, the package preserves and protects the quality of the environment. Other Councilmembers will get into more specifics about how that in fact happens. It's important to note I think with respect to renewable resources that this project is going to produce electrical energy without generating any greenhouse gas emissions or other air emissions which are harmful to our environment, and for that reason the project in the Council's opinion will enhance the public's opportunity to enjoy the esthetic and recreational benefits of clean air, clean water, and land resources. Of course, there's no substantial amount of water utilized in a project like this as it would be for other thermal-type projects, and conservation of water is an important factor. Finally, I would note that the evidence in the record supports the conclusion that the region, our region, State of Washington and the Northwest, needs to continue to add electrical generation capacity. This project helps diversify that base of electrical energy. Of course, we've got the hydro facilities, we've got some gas facilities, and now with renewables, so you don't want to put all our eggs in one basket. This project helps diversify the region's electrical capacity and therefore does support also because of the costs associated with this that the electricity will be provided at a reasonable cost. So what I'm going to do now is turn to my fellow Councilmembers to explain in more detail specific aspects of this project and the findings that we are about to make with respect to the Wild Horse Wind Project.

MS. ADELSMAN: Thank you, Chair Luce. Again, my name is Hedia Adelsman. I'm going to cover very briefly a couple issues relating to the project and some of the environmental issues that we at least analyzed and addressed in the site certification.

The Applicant, Wind Ridge, has requested that latitude or flexibility in its selection of the turbine manufacturer prior to construction, and I think regardless of the size of the turbine, the turbines themselves would generally be installed along the access roadways that have been identified in the application. Also the construction activities will be occurring along the corridors that are identified in the applications. We have reviewed the request to have the flexibility of looking at the impacts of the project on all the elements of the environment, and we looked at various scenarios dealing with different sizes and numbers of turbines. It was very clear from the analysis performed in the EIS that the impact did not really change very much from one scenario to another, and actually none of the scenarios resulted in any significant impact. So we feel that as a Council it is very appropriate for us to give the Applicant the flexibility to at least select what the final configuration of the turbine size and numbers are going to be.

In general, I'm going to cover only a few of the environmental impacts, and some of the other Councilmembers will cover other ones. There were minimal impacts expected in several areas for the environment. In the case of the air, we expect that most of the construction emissions associated with the project will really have no adverse impact on the ambient air quality in

Kittitas County. During the construction any fugitive emissions would be mitigated using normal best management practices that would happen during construction. We do not see the project as emitting any regulated air pollutant, and therefore it does not need to conform or at least need to be subject to any federal or state regulations. We looked at the soil and geology. We talked before about this is an 8,600 acre project size which will remain largely intact. Four hundred or 401 acres will be temporarily impacted by activities, and 165 acres will be permanently altered. I think you're going to hear later on about some of the mitigation that are proposed that actually address some of these impacts.

Volcanic activity. 25 years ago, of course, we all know there was some ash fallout. It was only last week I think the anniversary. So the risk is there. Further, the risk from earthquake is very minimal, but regardless the company agreed to design and construct the project based on the seismic standards and the international or at least the state building codes. The construction impact and geological resources there's temporary rock quarries, a rock crusher, and a concrete batch plant. There will not be any resources that would be exported off the site, and actually most of the material excavated will be used on site as necessary. For the local soils there's potential for runoff, especially depending on the slope. The Applicant is going to be required to follow a detailed Stormwater Pollution Prevention Plan and will have some appropriate best management practices to reduce impacts. Stormwater control permits will be required for the construction activities and also for the operation of the temporary rock crusher and concrete batch. Also there will be landscaping, grass, and vegetative covers to minimize ongoing erosion and sedimentation. The implementation we believe a lot of the mitigations will actually make sure that no significant and avoidable adverse impact will result from the project. We do not also expect any impact in water resources given the best management practices that will be implemented to protect surface and ground waters, and that the water for the construction and sanitary use will be imported from off site. However, we want to make sure that Wind Ridge will provide us with a proof of contract when it comes to the water supply that's going to be needed for the construction.

During construction the project is not going to produce any industrial waste water, and, again, we talked about the sanitary waste water produced will be discharged to an on-site septic system. There is really a lack of potential for fish and wildlife habitat. We do not see that happening, especially since there are no federal or state protected status of fish that require federal state protected status on the project. Again, I think some of the mitigation dealing with storm water and some of the others will mitigate if there is any impact. I believe one of our other members is going to now talk about some of the other impacts and how they are going to be mitigated. I think is that Tony?

MR. IFIE: Thank you, Councilmember Adelsman. I thank you everyone for being here as well. During adjudicative hearings held for considering this project the Council approved a settlement agreement between Kittitas County and the Applicant. I was pleased to see an agreement. The agreement indicates that the application is consistent with Kittitas County's applicable land use laws. Further, the agreement is supported by the Development Agreement that sets forth the minimum requirements and project development conditions that the Applicant and Kittitas County have agreed should be included in any Site Certification Agreement issued by EFSEC for the project.

The following examples of requirements and conditions that address and resolve several of the issues of concern: The first one is Health and Safety - Fire. The Applicant agreed to enter into a Fire Protection Services Agreement with Kittitas County Fire District No. 2. With regards

to the noise, shadow flicker, and turbine failures and ice throw, those were addressed through setting a setback of 541 feet from any residence. With regard to traffic concerns, those were addressed by the Applicant's agreement to prepare and follow a Traffic Management Plan. Landowners adjacent to transportation routes will be notified prior to construction activities. Warning signs and flaggers will be employed to minimize the risk of accidents when large equipment is entering or exiting a public road. Pavement conditions will be documented before construction begins, allowing Kittitas County and the City of Kittitas to monitor any road deterioration associated with the project. The Applicant will repair any such road damage. Now I refer to the next Councilmember. Thank you.

MS. JOHNSON: Thank you. At this time I will talk about the decommissioning, site restoration, and bonding issues addressed. The Development Agreement addresses the very important issue of site restoration and defines the timing, scope, and funding of decommissioning of site restoration activities. These conditions have been incorporated into the Council's Site Certification Agreement. The project would be decommissioned within 12 months following the earlier of the date of termination of the County Development Agreement or at the written request of the County and EFSEC, when the certificate holder demonstrates that the energy generated by the project for the past 12-month period is less than ten percent of the historical energy production defined in the County Development Agreement.

The Applicant has committed to posting funds sufficient for decommissioning in the form of a guaranteed bond or letter of credit prior to the end of the first year after construction begins. An additional condition of the Development Agreement with Kittitas County allows for the decommissioning finding security requirements to lapse in the event that the owner of the project is an entity which is an investor-owned electrical utility, such as Puget Sound Energy, in which case the obligation to fully decommission the project when due becomes a general obligation of the investor-owned electrical utility owner. The Council has considered this condition carefully and has concluded that the transfer of ownership to another entity cannot be considered in this proceeding. As a result the Council cannot make any conclusions regarding a future owner's capability to guarantee the availability of funds for site restoration to occur. Therefore, the Council has not included such lapse language in its Site Certification Agreement.

MS. TOWNE: Thank you. My topic is habitat, vegetation, wetlands, and birds except for sage grouse. The fish and wildlife issues, including habitat, vegetation, and wetlands, are governed by or guided by the Wind Power Guidelines of the Department of Fish and Wildlife, which were completed in 2003 after extensive negotiations amongst all interested parties, stakeholders in these issues. So that was our bench mark for determining which impact should be looked at, the significance of those impacts, and the appropriate mitigation.

As to the vegetation communities, as Ms. Adelsman has earlier described, will be about 400 acres impacted temporarily, and of that about 165 acres will be permanently impacted because they'll have turbines or met towers or other facilities for the project sitting on them. So we're talking about a maximum universe of about 400 acres. Of that 85 to 90 percent is shrub-steppe habitat. The shrub-steppe habitat is a specialized vegetative community which is absolutely essential to those species which are dependent upon it such as sage grouse. It is also a habitat that is difficult to replace. So the question was: What would be appropriate mitigation? Applying the Fish and Wildlife Guidelines, the Applicant determined that setting aside a mitigation parcel of 600 acres within the 8,600 acre project area would be appropriate. The Council agreed with that recommendation. That mitigation meets or exceeds the required habitat

replacement ratios provided by the Department of Fish and Wildlife in the Wind Power Guidelines.

The parcel will be fenced to exclude grazing, if grazing continues on the larger 8,600 acre project site after construction and when operation commences. The parcel also includes a very specialized and valuable piece of habitat; namely, one mile segment of Whiskey Dick Creek, including the headwaters. So water quality, wildlife, and species diversity benefits improve from the inclusion of that creek. Turbines will be set back from the forest at the north end of the project site with benefit to habitat. The Applicant has committed to best management practices to minimize weeds or to eradicate weeds where they occur, to implement a noxious weed control program in conjunction with the County, and do post-construction restoration on those acres which were temporarily impacted but will not be constrained by the operation of the facility, and that will include habitat reseeding. Several of the springs within the larger project area will be fenced, again, to keep out the livestock which have degraded that habitat. So it is our expectation that the wetlands habitat will see a substantial improvement. Fencing will be wildlife friendly by the way. In short, the Council found that the mitigation proposed in the application, discussed in the Draft and Final EIS, and measured against the DFW Wind Power Guidelines resulted in no significant adverse impacts to habitat as mitigated.

The next topic is birds, and these are flying birds as opposed to grouse which are more ground loving birds and the unique circumstances of wind power projects and potential impacts on birds. The question was initially: How long did the bird population at the project site have to be monitored in order to provide the information necessary to determine appropriate mitigation? The wind power guidelines, again, were our bench mark, and the one-year scope of that monitoring was deemed by the Council to be acceptable. Substantial baseline data developed by the Applicant and its consultants through on-site surveys, flyovers, nest counts, other methods of determining what birds are on or through or over the site were conducted. The Applicant included several mitigation measures to reduce, mitigate, and ameliorate potential mortality to birds. Where birds are known to occur in larger than usual numbers, the siting of the turbines was directed away from those sites. For instance, the saddles along the main Whiskey Dick Ridge avoid putting turbines there because that's where the birds go. Having large turbines with low rotational speed and use of tubular towers rather than latticed towers also minimizes the risk of bird collision. The meteorological towers, rather than the guyed which creates more area for the birds to come in conflict with, are going to be unguyed. Overhead power lines will have raptor perch guards and spacing power line conductors to minimize raptor electrocution. By the way, there are a minimal number of raptors. I believe one eagle was seen, bald eagle was seen during the entire course of the site monitoring. Gold eagles are somewhat more prolific, but the mortality is expected to be rather low.

The argument was made by the Audubon Society and others in the course of our hearings that we did not have before us significant evidence to indicate that the mortality rates estimated in the application were in fact accurate. So the question was: How could the council structure its order and site certification agreement to deal with any unexpected consequences of development of the project? The Council determined that implementation of a Post-Construction Avian Monitoring Plan was the appropriate way to assess the accuracy of the mortality estimates and to then take appropriate action. So the plan incorporates one breeding season's raptor nest survey of the study area.

As to the baseline monitoring in itself, the Council defers to the Department of Fish and Wildlife Wind Power Guidelines, and the SCA and Order provides for a Technical Advisory

Committee, which will look at whether avian mortality exceeds the estimated values and what appropriate measures can and should be taken by the Council to address the situation. Based on that set of measures, it is the Council's determination that no significant adverse effects in the area of avian species will occur as a result of the construction and operation of the project.

Thank you.

MR. SWEENEY: Good evening. Chris had a load of Wildlife issues, so I volunteered to help her finish the sage grouse and game.

MS. TOWNE: And I am grateful.

MR. SWEENEY: I wanted to point that out, since the Utilities and Transportation Commission has not broadened its scope. The interesting part of this job is really the interdisciplinary aspects, and we do find ourselves learning things that we wouldn't normally in our jobs. I think that's part of the beauty of the State Siting Council, forcing different minds on these things.

The project lies within the state sage grouse recovery areas, and that's a big deal. As a result we paid a lot of attention to that issue, paying very close attention to all the information that you see on the sage grouse. We looked at the historic presence of the sage grouse in the area, current attempts to reestablish the species in the area, and concerns that construction and operation of the project would harm the populations and the recovery efforts. Based on the available evidence impacts for current sage grouse populations at the current site are expected to be low, and, frankly, that's because we really haven't seen many sage grouse in that area at this time.

The last recorded observation of it was about seven years ago. So really our focus is more in terms of: Are we creating harm in terms of potential recovery of this site? A lot of our mitigation looked to that. The Applicant's measures are to mitigate for vegetation, and the habitat loss will directly and indirectly protect the sage grouse use of this area by improving grass cover and habitat for nesting, rearing, and wintering. If -- hopefully there will be an if -- active nests are discovered in the area in the future, the operation of the facility under the Site Certification Agreement will postpone routine maintenance until after breeding season. The site is populated also with mule deer and elk, particularly in the winter months. One of the mitigations there is the heavy construction, including road and foundation construction, will be limited between April 15 and November 15. The Applicant has agreed to work with the Department of Fish and Wildlife to establish a hunting plan that will address the Department of Wildlife's concerns regarding the elk and the mule deer population management as well, and there will be close construction monitoring to catch any unexpected shifts in the use of the area by mule deer and elk. We'll go over to Richard for his part.

MR. FRYHLING: I also want to thank you for being here tonight or this evening. I also want to give you a little background on myself. I have been coming to this valley for over 50 years now. All during the '90s I worked with the local governments in Kittitas County in regard to the Growth Management Act, and for the last three years I've lived in Walla Walla and traveled back and forth to Olympia to do my job as a Council person. So I'm through the valley here and into Ellensburg at least once a month or twice a month, and I usually stop for gas and coffee and food. So I feel I'm somewhat a traveling salesman, but I also have a lot of concern for the valley here. I'm going to make some comments in regard to visual resources and socioeconomics.

The Applicant hired qualified experts to carry out an extensive visual and esthetic impact analysis on this project. Also to minimize visual impacts, the Applicant wanted to take mitigation measures, such as painting the wind turbine towers with low reflective paints designed

to blend into the background colors. The Applicant's analysis and the Council's Final Environmental Impact Statement found that the overall visual impact of the project would be low to moderate. The project is located in remote and rural areas of Kittitas County. Given the distances from major highways and concentrations of residents, neither glare nor shadow flicker pose hazards with this project. Further, the turbine towers will not add significant ambient light to the immediate surroundings; however, they will be marked with flashing warning lights that are required by the Federal Aviation Administration to alert the aircraft to their presence.

As I said, I travel back and forth from Walla Walla on a regular basis, and each time I leave Walla Walla and head west I do have the opportunity to drive by the State Line Wind Project and to view the wind turbines up on the hill. I find them very interesting and visually stimulating, but that's me. Socioeconomics. Project construction will result in increased employment in Kittitas County with about half of the direct construction employment impact occurring locally. The project's economic impacts are not expected to be limited to jobs. Total direct income generated during the construction phase of the project is estimated to be \$3.7 million. The Applicant estimates additional indirect and induced impacts to add another million to the regional economy. They also look at there shouldn't be adverse impacts with regard to regional or local housing supply from temporarily housing construction workers.

It is estimated that the project will increase total valuation of real property in Kittitas County by approximately eight percent, from \$2.5 billion to \$2.7 billion. The project will be the largest single taxpayer in Kittitas County contributing revenues for state schools and local public services in the area, including county roads and county government. The issue of the project's potential effect on property values in the county was debated during the proceedings. Evidence in the record suggests that the relatively remote location of the Wild Horse Project Site is beyond the geographic area where any potential impacts to residential or agricultural property values might be experienced. Further evidence was offered to show that the property sales in developed and developing portions of the county remain robust, and the property values have not been affected by the publicity related to either of the other two pending wind projects in the area. Therefore, the Council believes that for this particular application the sum of the evidence demonstrated that the project will not have any significant effect on the property values in the county.

MR. SWEENEY: I get to do an encore performance. The secret is out. It's obvious that Kittitas is a wonderful place to live, and it's also apparently an attractive place for wind power development as we are learning. So one of the issues we wanted look at as part of this review is cumulative impacts of what this wind project along with other wind projects that we're aware of to potentially have on the county. The Environment Impact Statement goes into quite a bit of detail of what those cumulative impacts are. It pretty much assumes as we are doing with this one that the impacts, the environmental impacts are mitigated to nonsignificance. But there is one single cumulative impact that while can be mitigated on one level as Councilmember Fryhling has talked about there might be not any mitigation measures on the grandeur scale. I would rather just read what the order says. "The impact of repetitive use of turbines in the county should all three wind power projects be developed for residents and frequent visitors to the valley could result in the impression of change in the overall visual character of the Kittitas Valley landscape." It does not appear that any mitigation measures are available to fully address the cumulative impact to visual resources.

MS. JOHNSON: My section is on transfer of ownership, the area we looked at. During the adjudicative hearings the Applicant made it known to the Council that Puget Sound Energy

(PSE) had entered into an agreement with Zilkha Renewable Energy to purchase the Wild Horse Wind Power Project, if the project was ultimately approved by the Governor. Representatives of Puget Sound Energy also presented testimony to the Council regarding the potential benefits of such transfer of ownership. In its final brief to the Council, the Applicant requested that the Council include provisions for automatic transfer of the project ownership to PSE in the Site Certification Agreement. The Council has considered the Applicant's request and understands the advantages and efficiency of including preapproved transfer of ownership language in the Site Certification Agreement but must deny the request at this time. Council regulations for transfer of site certification have not been met. No Site Certification Agreement will actually exist until and unless the Governor acts in accordance with the Council's recommendation. PSE, the presumed successor in interest, has not filed a formal petition to assume responsibility for operation and site management. The Council has also not provided the notice nor held the public informational meeting required by EFSEC regulations. EFSEC is not opposed to the transfer of project ownership. Even so, EFSEC is bound to follow its own regulations, even those that might be seen as mere formality. When the Governor takes final action on Council's recommendation Application No. 2004-01, Wind Ridge and PSE may then make the necessary application and petition to the Council seeking necessary amendments to the transfer of the Site Certification Agreement.

D: VOTE ON RECOMMENDATION

CHAIR LUCE: Thank you. Thank you, Patti. That concludes the Councilmembers' individual comments with respect to certain areas of which are covered in greater detail within our order and within the site certificate, Draft Site Certificate Agreement, which we will now consider formally by taking a vote of the Council. So I would ask Councilmembers is there a motion before us to act on this particular order, Order 814? Anybody give me a motion?

MS. TOWNE: I will move that the Council approve Order No. 814 recommending approval of the Wild Horse Wind Power Project to the Governor of Washington State.

MR. FRYHLING: I'll second that motion.

CHAIR LUCE: I have a motion, and I have a second. Is there discussion, further discussion among the Councilmembers here this evening? Hearing no such discussion and recognizing that we've covered in some length all of the attended to this particular motion, the question is called for. Call for the question. Allen, would you please call the roll of Councilmembers with respect to this motion, pending motion on 814.

MR. FIKSDAL: Thank you, Mr. Chairman. I will call each of the Councilmembers and please signify whether you agree with adoption of Order No. 814.

Department of Community Trade and Economic Development?

MR. FRYHLING: Yes, I agree with the adoption and approval of Order No. 814.

MR. FIKSDAL: Department of Ecology?

MS. ADELSMAN: Yes.

MR. FIKSDAL: Department of Fish and Wildlife?

MS. TOWNE: Yes.

MR. FIKSDAL: Department of Natural Resources?

MR. IFIE: Yes.

MR. FIKSDAL: Utilities and Transportation Commission?

MR. SWEENEY: Yes.

MR. FIKSDAL: Kittitas County?

MS. JOHNSON: Yes.

MR. FIKSDAL: Chair?

CHAIR LUCE: Yes.

MR. FIKSDAL: Mr. Chairman, it's unanimous in favor of the document Order No. 814 recommending approval to the Governor of the State of Washington.

CHAIR LUCE: Thank you. Having considered this matter before the Council and having unanimous support by the Council for forwarding to the Governor a recommendation of siting this facility, I will now proceed to sign the order undertaking to do that. Then I will ask other Councilmembers to do the same, and I'll pass this. That concludes my particular part of this exercise, and Judge Torem may have some additional comments at this point.

E: NEXT STEPS & NOTICE TO PARTIES FOR RECONSIDERATION

JUDGE TOREM: While the Council is finishing their signatures to the original signature page of the order, we're going to arrange for that to be photocopied and included with what's posted on the website later. Probably not tonight but probably first thing tomorrow and get this issued or served on parties tomorrow. So the formal date on this, although signed today on May 25, will be served on May 26. This is a decision that still is subject to reconsideration and some other procedural issues.

I want to tell you about what happens next. First, any parties that want to file a petition for reconsideration once they've had a chance to review the meat and details of the order can do so as long as that petition for reconsideration is filed within 12 days of service of the order, and that has to be filed with Mr. Fiksdal, the Council Manager, pursuant to Washington Administrative Code Title 463-30, Section 120. So for the parties that are here tonight and that will also receive this document tomorrow, 12 days from May 26 for filing any motions for reconsideration. If there is no such petition for reconsideration filed, then the Council will simply send this recommendation as it was summarized tonight. They will send it in its entirety along with the Draft Site Certification agreement to the Governor's office, and the Governor will then have 60 days to approve this order, to deny it, or to ask the Council to reconsider portions of it. So, again, if there is a petition for reconsideration filed, the Council won't forward it to the Governor immediately but will decide how to act on that petition and then go ahead and file with the Governor whatever changes they may or may not think to what you've heard tonight.

Again, Council staff will place this on the website tomorrow and serve it on the parties tomorrow morning. If you need a copy of this, you can download it or one can be e-mailed to you. Staff does have some extra copies of the decision here tonight, if you want to take one home with you right away. I think that's all we have for business tonight, but, again, if you didn't hear the area of interest you came to hear about tonight in the discussion from the various Councilmembers, or you heard it, but you're not sure exactly what you heard, -- because I know this is a tough format to sit through as we just turn into talking heads and give you the highlights -- take a look at the order, and if you need to be directed to a particular portion, see Ms. Makarow, Irina Makarow or Allen Fiksdal. They can tell you exactly where to find it in the order.

F: ADJOURN

JUDGE TOREM: With that, Chair Luce, if you will adjourn the meeting.

CHAIR LUCE: I will do exactly that. There is no further business to come before the special meeting of the Energy Siting Council, and the meeting stands adjourned.

(Whereupon, the special meeting was adjourned at 7:20 p.m.)

A F F I D A V I T I, Shaun Linse, CCR, Certified Court Reporter, do hereby certify that the foregoing transcript prepared under my direction is a true and accurate record of the proceedings taken on May 25, 2005, in Ellensburg, Washington.

Shaun Linse, CCR
CCR NO. 2029